In March 2016, the City of Alameda adopted an ordinance limiting rent increases to once a year, requiring mediation for all increases above 5%, limiting grounds for evictions and requiring landlords to pay relocation fees when terminating certain tenancies.

This proposed City Charter amendment would replace that structure with a new, voter-elected regulatory body empowered to manage a rent control program. Candidates for the five-member Rent Control Board do not have to be landlords or tenants, only Alameda voters. The Board would budget for, hire and manage its own staff; establish rents; issue regulations; conduct investigations and hearings; impose fees on landlords; and impose penalties for non-compliance. Based on the experience of other California cities with rent control, the cost for the Board and its staff to operate would be approximately $3.3 million annually. Landlords would be assessed fees to pay for the program (estimated to be $235/unit). The City's General Fund would be required to pay for the Board and programs until adequate fees are available.

The amendment would "roll back" rents to the amount charged for a unit on May 5, 2015. That maximum allowable rent could be increased by no more than 65% of the percentage increase in the Consumer Price Index each year. (For 2016, rent could be increased 1.7% over the May 2015 rent). Landlords could petition the Board for a larger rent increase.

A landlord could terminate a tenancy only for the following reasons: (1) failure to pay rent; (2) breach of the lease; (3) damage to the unit or nuisance; (4) refusing access; (5) a "move-in" to the unit by the owner or immediate family as the person's primary residence; (6) substantial repairs; (7) withdrawal of the unit from the rental market.

A landlord who terminates a tenancy for reasons (5), (6) or (7) would be required to make relocation payments, ranging from $7,300 to $18,300 depending on the tenancy length and whether the tenant is over 62, disabled, or has a minor child.

Tenants may sue landlords for attorneys' fees, damages and penalties equal to three times the amount of the unlawful rent.

The fiscal impact of the amendment on the City is uncertain. Once passed, the City must hold a special election in early 2017 to elect members of the Board at a cost of over $500,000. Until the Board establishes and implements another revenue source, the City's General Fund is required to fund the program including Board-hired staff and lawyers with no budgetary control by the City Manager and/or City Council. Also, based on the experience of other California cities with rent control, the City will continue to require City staff to address rent issues and to incur costs of potential legal challenges naming the City.

There are potential legal issues with the amendment as drafted. If passed, and a legal challenge is successful, the courts could void some or all of the amendment provisions.

s/ Janet C. Kern
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